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A PROFESSIONAL CORPORATION

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December 8, 1998

RECORDATION NO. 21846 FILED

DEC 9 '98 2-58 PM

RECORDATION NO. 21846-A FILED

DEC 9 '98 2-58 PM

via FEDERAL EXPRESS

Surface Transportation Board
1925 K Street, N.W.
Washington, D.C., 20423-0001
Attention: Mrs. Janice Fort

Re: Our File No.: 259-1903

Dear Mrs Fort:

Enclosed for recordation as a primary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

Master Lease Agreement entered as of February 1, 1997, between Railcar, Ltd. (1819 Peachtree Road, N.E., Suite 455, Atlanta, Georgia 30309-1847) and Dakota, Minnesota & Eastern Railroad Corporation (P.O. Box 178, 337 Twenty-Second Avenue, South, Brookings, South Dakota 57006)

Also enclosed for recordation as a secondary document pursuant to the provisions of 49 U.S.C. §11301(a) are one original and one notarized copy of the following document:

Assignment of Lessor's Interest in Lease made as of November 30, 1998 by Railcar, Ltd. (1819 Peachtree Road, N.E., Suite 455, Atlanta, Georgia 30309-1847) and Progress Rail Services Corporation (P.O. Box 1037, Albertville, Alabama 35950) in favor of The First National Bank of Maryland (25 South Charles Street, Baltimore, Maryland 21201) which relates to the above-referenced Master Lease Agreement

Also enclosed is a check to cover the costs of recording the enclosed documents.

Upon recordation, please return the recorded documents to the undersigned.

Thank you for your prompt attention to this matter. If you have any questions, please call me at (800) 344-2532.

Sincerely,

A handwritten signature in black ink, reading "Michele E. Sperato". The signature is written in a cursive style with a large, sweeping initial "M".

Michele E. Sperato
Assistant to John A. Stalfort

Enclosures

RECORDATION NO. 21846 FILED -A

DEC 9 '98 2-58 PM

STATE OF MARYLAND
SS:
CITY OF BALTIMORE

THIS IS TO CERTIFY that the attached Assignment of Lessor's Interest in Lease is a true and complete copy of said Assignment of Lessor's Interest in Lease.

WITNESS my hand and seal this 8th day of December, 1998.

Michelle E. Sperato
Notary Public

My Commission Expires: January 28, 2001

ASSIGNMENT OF LESSOR'S INTEREST IN LEASE '98

2-58 PM

ASSIGNMENT OF LESSOR'S INTEREST IN LEASE (this "Agreement") made as of November 30, 1998, by Railcar, Ltd., a Georgia corporation ("LTD"), and Progress Rail Services Corporation, an Alabama corporation ("PRSC") (LTD and PRSC are referred to herein collectively and individually as "Lessor"), in favor of The First National Bank of Maryland, a national banking association ("FM").

"Cars" means the railroad cars identified on the exhibit attached hereto entitled "Description of Railcars."

"Lease" means the Master Lease Agreement dated as of February 1, 1997, and the related Schedule No. 1 dated as of February 1, 1997, between Railcar, Ltd. (as agent for owner, namely, Progress Rail Services Corporation), as lessor, and Dakota, Minnesota & Eastern Railroad Corporation, as lessee, relating to the Cars.

Pursuant to the Assignment Agreement dated as of November 30, 1998, between Railcar, Ltd., Progress Rail Services Corporation, and FM, Lessor has sold to FM all of Lessor's right, title and interest in and to the Cars. In connection with the sale of the Cars, Lessor desires to assign to FM all of Lessor's right, title and interest in and to the Lease.

NOW, THEREFORE, in consideration of the premises and other valuable consideration, the receipt of which is hereby acknowledged, Lessor hereby agrees with FM as follows:

1. Assignment. Lessor hereby assigns to FM all of Lessor's right, title and interest in and to the Lease, including, without limitation, all rent payable with respect to the Cars.

2. Representations and Warranties. Lessor hereby represents and warrants to FM the following:

- (a) to the knowledge of Lessor, there are no defaults or events of default under the Lease;
- (b) the Lease is presently in full force and effect;
- (c) no rent under the Lease has been paid in advance;
- (d) except as otherwise stated herein, Lessor has not assigned, encumbered or transferred in any way its interest in the Lease; and
- (e) a complete copy of the Lease is attached hereto as Exhibit A.

3. Additional Instruments. Lessor shall execute and deliver such further instruments and take such actions as shall be reasonably required in order to carry out the transactions contemplated by this Agreement.

4. Miscellaneous Provisions.

(a) Entire Agreement. This Agreement comprises the complete understanding of the parties and there are no understandings, either written or oral, except as specifically set forth in this Agreement. No changes may be made in this Agreement unless specifically reduced to writing and accepted by both parties. All prior negotiations and understandings of the parties are deemed merged into this Agreement.

(b) Amendment and Waiver. This Agreement may be amended, or any portion of this Agreement may be waived, provided that such amendment or waiver shall be in writing, executed by the parties to which any particular provision specifically relates and all such amendments and waivers made shall be binding upon the parties. No course of dealing between or among any persons having any interest in this Agreement shall be deemed effective to modify, amend or discharge any part of this Agreement or any rights or obligations of any person under or by reason of this Agreement.

(c) Inurement to Benefit of Assigns. All of the terms and provisions of this Agreement shall be binding upon, apply and inure to the benefit of the parties, their respective successors and assigns.

(d) Severability. Each of the terms and provisions of this Agreement, except for the payment of the purchase price to Seller, is and is deemed to be severable, in whole or in part, and, if any term or provision or their application in any circumstance should be invalid, illegal or unenforceable, the remaining terms and provisions or their application, to circumstances other than those as to which it is held invalid, illegal or unenforceable, shall not be affected and shall remain in full force and effect.

(e) Exhibits and Schedules. All exhibits and schedules attached to this Agreement are incorporated and made a part of this Agreement by reference.

(f) Paragraph Headings. All paragraph and subparagraph headings are for convenience of reference only and shall not be used in interpreting this Agreement.

(g) Rights and Remedies. All rights and remedies granted any of the parties under this Agreement shall be cumulative.

(h) Survival of Representatives and Warranties. All representations, warranties and indemnifications shall survive the closing of the transactions contemplated by this Agreement.

(i) Governing Law. The law of the State of Maryland shall govern all questions concerning the construction, validity and interpretation of this Agreement and the performance of the obligations imposed by this Agreement.

(j) Construction. As used herein, any reference to the masculine, feminine or neuter gender shall include all genders, the plural shall include the singular, and the singular shall include the plural. This Agreement and all instruments executed to consummate the transactions contemplated shall be deemed to have been mutually negotiated, prepared and drafted, and in the event of its interpretation no consideration shall be given to the issue of which party prepared, drafted or requested any term, condition or agreement.

[Execution on next page; remainder of this page intentionally left blank]

IN WITNESS WHEREOF, LTD and PRSC have executed this Assignment of Lessor's Interest in Lease under seal by their duly authorized officers as of the day and year first written above.

RAILCAR, LTD.

By: [Signature] (SEAL)
Name/Title: Eugene D. Martini / EVP

State of Georgia, County of Fulton

On November 3, 1998, before me personally appeared Eugene D. Martini, to me personally known, who being by me duly sworn says that he is Executive V. Pres. of Railcar, Ltd., a Georgia corporation, and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

[Signature]
Notary Public
My commission expires:

[NOTARIAL SEAL]



PROGRESS RAIL SERVICES CORPORATION

By: _____ (SEAL)
Name/Title: _____

State of Alabama, County of Marshall

On _____, 1998, before me personally appeared _____, to me personally known, who being by me duly sworn says that he is _____ of Progress Rail Services Corporation, an Alabama corporation, and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public
My commission expires:

[NOTARIAL SEAL]

IN WITNESS WHEREOF, LTD and PRSC have executed this Assignment of Lessor's Interest in Lease under seal by their duly authorized officers as of the day and year first written above.

RAILCAR, LTD.

By: _____ (SEAL)
Name/Title: _____

State of Georgia, County of Fulton

On _____, 1998, before me personally appeared _____, to me personally known, who being by me duly sworn says that he is _____ of Railcar, Ltd., a Georgia corporation, and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public
My commission expires:

[NOTARIAL SEAL]

PROGRESS RAIL SERVICES CORPORATION

By: Michael V. Bombard (SEAL)
Name/Title: Michael V. Bombard, Senior Vice President and Chief Financial Officer

State of Alabama, County of Marshall

On November 30, 1998, before me personally appeared Michael V. Bombard, to me personally known, who being by me duly sworn says that he is Senior Vice President and Chief Financial Officer of Progress Rail Services Corporation, an Alabama corporation, and that he executed the foregoing instrument on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Drane W. Eakin
Notary Public
My commission expires: June 30, 2001

[NOTARIAL SEAL]

DESCRIPTION OF RAILCARS

Lessee: Dakota, Minnesota & Eastern Railroad

Number of Cars in Lease: 42

Description of Cars: 60-foot, 70-ton, plate B Boxcars.

Car Marks and Numbers:

DME 3104, DME 3106, DME 3108, DME 3120, DME 3136, DME 3141, DME 3150,
DME 3157, DME 3174, DME 3193, DME 3199, DME 3215, DME 3218, DME 3229,
DME 3233, DME 3244, DME 3245, DME 3249, DME 3251, DME 3255, DME 3257,
DME 3267, DME 3269, DME 3275, DME 3284, DME 3285, DME 3289, DME 3290,
DME 3292, DME 3306, DME 3315, DME 3324, DME 3331, DME 3334, DME 3341,
DME 3357, DME 3361, DME 3364, DME 3365, DME 3370, DME 3376, DME 3382.